

# A Paradigm Shift: Entrepreneurial Initiative in Guwahati

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*Abstract: Entrepreneurship is a productive activity which has helped to give employment and contributed to socio-economic growth and development of the country. But the scenario was not such as it is now. The profession of entrepreneur was not accepted as a very respectable. As the environment changed, the need for job increased gradually paving way for entrepreneurship to rise high. The state of Assam has been able to produce many successful entrepreneurs in comparison to other states of North East. This paradigm shift has also contributed to the increase in standard of living of the people, change in outlook of the people, unity in diversity, etc. The present study throws light on the growth and present status of entrepreneurs, government's initiative for the growth of entrepreneurs, their socio-economic contribution to the society.*

## II. INTRODUCTION

Guwahati city, the gateway of North East is growing bigger day by day to accommodate the intensely growing population. The regular in flow of population for search of jobs and shelter has made Guwahati densely populated. One aspect contributing to this factor is the establishment of B-schools apart from establishing many centres of various universities, government and private providing various vocational courses, undergraduate and post graduate courses to the youths of the city. There are over 20 new B-schools established in Guwahati in a time frame of a decade. To name a few GCC- Centre of Management Studies, Don Bosco Institute of Management (DBIM), Royal Business School et al. The old players of the market are Assam Institute of Management, Gauhati University, NERIM had succeeded well in fulfilling their aim of producing successful managers. But in the present scenario where literary rates are increasing and more number of students are enrolling themselves in higher education the scarcity of jobs are gradually rising. In the face of changing and changing economic scene the possibility of absorbing such a huge number of eligible graduates is becoming extremely difficult. Let's see the average number of job seekers in Guwahati:

Number of institutes: 10

Number of students: 45

Number of jobs required:  $10 \times 45 = 450$

Now, there should be 450 ready jobs to intake them but is the scenario so gloomy? Because, some MNC's or companies based outside Assam come to take in eligible's because they have recognised their talents and potential but that too on average another 100 gets absorbed, another 50 take up higher education but 300 are still wandering to be absorbed by the state itself. At this juncture, the other



options which come up are to take up business or academics. Some succeed the rest fails. The failures engage in anti- social activities.

The outlook of our society has changed and now taking up business is not the option of the youths but a profession of choice. This changed outlook is being motivated by the changing socio-economic beliefs, internal and external environment, changed cultures and values. The most important factor amongst all is the far sightedness to identify the growth of a career as an entrepreneur.

## 2. OBJECTIVE

1. To know about the growth trend and present status of entrepreneurs in Assam.
2. To know about the government's initiative for the growth of entrepreneurs in Assam.
3. To know about the socio economic contribution of entrepreneurs.

## 3. METHODOLOGY

The study is descriptive in nature. The data collected is through secondary sources. Guwahati city in the state of Assam is taken as the area of study. Tools used to analyse data is wherever necessary.

An entrepreneur is a person who pioneers change in positive direction in the society, increases employment, utilises the unexplored resources optimally et al.

The word "Entrepreneur" is derived from the French word "Entreprendre". It means to undertake. An entrepreneur may be referred to a single person or a group who promotes a new enterprise by collecting various factors of production and taking the risk arising out of such venture. Entrepreneur's challenge the unknown opportunities and continuously creates the future. An entrepreneur plays a multi-role character, performing the roles of owner, manager, financier and promoter. E.g., Bill Gates of Microsoft, N.R Narayan Murthy of Infosys Technologies, etc.

Peter .F. Drucker, "An entrepreneur is one who always searches for changes, responds to it and exploits it as an opportunity."

Entrepreneurship is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and expertise/wisdom in an effort to transform innovations into economic goods". In other words, Entrepreneurship can be termed as a process undertaken by an entrepreneur to materialize his/her business interest.

A. H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize, a profit oriented business unit for the production or distribution of economic goods and services".

Business is a profit making activity and entrepreneurship can be termed as business but business is seldom entrepreneurship. There are different types of entrepreneurs are:

### A. Classified by Clarence Danhof:

1. Innovative
2. Initiative

### Stages of development:

- 1. Pre-Independence
- 2. Post-Independence
- 3. Modern
- 4. Future

Entrepreneurial class in real developed in India after Independence, in 1947. The emergence of entrepreneurs in India can be divided into the following periods:

**Post-Independence Period:** Entrepreneurs entered various fields for accelerating the industrial activity. The main problem which the entrepreneurs faced was the lack of infrastructure.

a) Industrial Policy 1948: Before independence British rulers were more interested in exporting raw materials from India to England and then bring the finished goods back to India again.

This policy discouraged the growth of industrial sector. In order to increase production government announced several measures for reviving the industrial sector:

(i) To maintain proper distribution of economic power between the private and public companies.

(ii) To encourage industrialization, etc.

b) Five Year Plans: Government of India adopted planning system as a model of growth. Efforts were made in different plans to encourage more and more entrepreneurs. These Five Year Plans started in the year 1951. It brought about:

- (i) New opportunities of growth and development
- (ii) Diversification of industries
- (iii) Employment opportunities



(iv) More of financial institutions and assistance

(v) Export promotion and import substitution

These plans resulted in encouragement and emergence of large business houses and built up of the large number of successful entrepreneurs.

2. **New Trend:** A new class of women entrepreneurs has also come up. Similarly, rural entrepreneurs are also entering the entrepreneurial class.
3. **Other Emerging Entrepreneurs:** Other emerging entrepreneurs include:
  1. Netpreneurs
  2. Copreneus
  3. Ultrapreneurs
  4. Intrapreneurs

As entrepreneurs are leaders and businessmen are followers. The scope for entrepreneurs has further being widened by the governmental initiatives. The availability of subsidies, establishment of institutes to shape entrepreneurs, providing financial help by the financial institutes are the other leading factors for entrepreneurial growth and development in the state. There are various institutes offering help to entrepreneurs:

1. **NAYE:** National Alliance of Young Entrepreneurs has been a pioneer in promotion and development of entrepreneurship among women. It assists women entrepreneurs in:
  - a. Getting better access to capital, infrastructure and markets
  - b. Identifying investment opportunities
  - c. Organizing seminars, workshop, etc.
2. **Technical Consultancy organization's (TCO's):** All India financial institutions had set up several TCOs to provide industrial consultancy and training to entrepreneurs. The main functions of TCO's are:
  - i. Identification of industrial potential
  - ii. Undertaking market research
  - iii. Undertaking techno-economic survey, etc.
3. **Development Banks:** There are a number of financial institutions which help the process of entrepreneurial development. ICICI, IDBI are operating at all India Level while SFCs and SIDCs are helping entrepreneurs at state levels.
4. **National Institute for Entrepreneurship and Small Business Development (NIESBUD):** NIESBUD institute was set up in 1983, as an apex body for coordinating the activities of various institutions engaged in entrepreneurial development in the area of small industry and business. It undertakes the following activities:
  - i. Evolving effective training strategies and methodology
  - ii. Developing training aids, manuals and tools, etc.
  - iii. To organize and conduct training programmes
  - iv. Affiliates institutes and organizations conducting entrepreneurship training, etc.

**Entrepreneurship Development Institute of India (EDII):** EDII has been sponsored by All India Financial Institutions and the Government of Gujarat. It conducts research, training and institution building activities for encouraging the participation of backward regions and special target groups in entrepreneurship.

From establishing institutes other initiatives being the benefits which are made available through the NER Policy, a team comprising of ten entrepreneurs including a female entrepreneur was sent to Johannesburg for search of project profile and business opportunities, the steps taken by National Small Industries Corporation, Khadi and Village Industries Commission, Micro, Small and Medium Enterprise Development Organisation is also a remarkable step in this regard.

The role of government in promotion of entrepreneurial activities is noteworthy. Not only granting finance but also training and development, future growth and expansion, etc are taken care by the government. As the government is also benefitted by the role played by the entrepreneurs in social upliftment and development. Thus, they are eager to provide help and support by instituting various schemes, policies, programmes and agencies.

The entrepreneurial activities have witnessed a marked rate of growth in employment opportunities. As per the report of KVI production sales and employment in North Eastern Region, Assam has succeeded in providing the highest employment in the year 2007-08 as compared to other states of North East. Table shown below:-

**Table 1: Employment status**

| States            | Employment (in lakh persons) 2006-07 | Employment (in lakh persons) 2007-08 |
|-------------------|--------------------------------------|--------------------------------------|
| Arunachal Pradesh | 0.07                                 | 0.08                                 |
| Assam             | 2.48                                 | 2.65                                 |
| Manipur           | 0.66                                 | 0.71                                 |
| Meghalaya         | 0.35                                 | 0.37                                 |
| Mizoram           | 0.64                                 | 0.68                                 |
| Nagaland          | 0.44                                 | 0.47                                 |
| Sikkim            | 0.19                                 | 0.2                                  |
| Tripura           | 0.45                                 | 0.48                                 |
| Total             | 5.28                                 | 5.64                                 |

Source: [http://msme.gov.in/Chapter%2011-Eng\\_200708.pdf](http://msme.gov.in/Chapter%2011-Eng_200708.pdf)

*The socio economic contributions of entrepreneurs are as follows:*

1. **Coordinating Role:** Entrepreneurs gather various resources available in the environment but yet unutilized or inefficiently used. The prime resources being the factors of production man, machine, money and materials. It depends on the types of products to be produced that which raw materials to be used or what



skills are desired in employees so as to get efficient production of qualitative output.

2. **Agent's Role:** Entrepreneurs play the role of agents as they are also called as the transformers of society. They act as an agent to change the face of society by generating employment, using resources, earning foreign exchange, increasing the standard of living, etc. They, in a way are trying to help the government by being the job providers and not job seekers. They try to take up the responsibility of changing the pace of development in the existing environment.
3. **Role of Innovation:** Entrepreneurs are successful innovators who use the existing resources to come up with a new product. It is due to the existence of this class that the world is facing technological and social upliftment.
4. **Capital formation Role:** Entrepreneurs by giving employment try to increase the standard of living of the people. As employees have more money in hand now, after fulfilling their daily needs, they can be guided to save the excess income in the bank or post office to get interest out of it or to use it during emergencies.
5. **Status transformation Role:** Entrepreneurs give employment and salary, induce saving habits, thereby, increasing the standard of living of the people. More products are now available in the market and people strive to purchase more than what they need in their daily chores.
6. **Employment Generation Role:** Entrepreneurs are job givers and not job seekers. They have been successfully employing people in the various activities involved in the production of the innovative item. They are not only changing the face of the society but are also helping the government in decreasing the level of unemployment in the society. They choose the manpower, give them their training and make them industry ready.
7. **Export promotion Role:** Entrepreneurs export the excess production to the people outside the geographic boundaries. The products to be exported outside are sent only after relative quality checking. Because many Indian products gets rejected in the international market due to sub standard quality or are sold at a lower price due to low standard of use of production, raw materials and technology.

Thus, contribution of the entrepreneurs to the society and its stakeholders has been a remarkable one. The support of the family, friends, society, and changed outlook are the prime contributors and will continue doing the same in the future. Because the growth of the society is not in the lone hands of the government but the stakeholders also share the responsibility equally if a balanced growth is the view of the individuals. So, entrepreneurial attitude should be cultivated since childhood if the country wants to count itself in one among the developed nations of the world.

#### REFERENCES

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